

WORKSHEET INSTRUCTIONS

For the School Meals Program Year End Report (SM-4012-A)

School Year 2004/2005

Final MEIS Online Submission Due Date: July 31, 2005

**DO NOT MAIL THE YEAR END REPORT WORKSHEET TO
THE MICHIGAN DEPARTMENT OF EDUCATION.
IT IS FOR YOUR USE ONLY**

**THE YEAR END REPORT MUST BE COMPLETED AND SUBMITTED ONLINE VIA
THE MICHIGAN EDUCATION INFORMATION SYSTEM (MEIS):**

<http://michigan.gov/meis>

PRINT A COPY OF THE COMPLETED REPORT FOR YOUR FILES

Direct questions regarding this report to: (517) 373-8642

Year End Report Worksheet for School Meals Program

Report revenue and costs for School Year 2004/2005, July 2004 - June 2005.

After completing the worksheet for the Year End Report, use it to enter your report online via MEIS. You must enter the Cost Allocation Percentage Data first before you can enter the cost information for Columns A and B on the Cost Allocation Sheet, and revenue information on the Revenue and Balance Sheet.

Cost Allocation Worksheet

Purpose and Overview

The purpose of the sheet is to identify all costs to the food service program. Costs paid by the Food Service Program are reported in Column A. Costs paid by other funds, such as the general fund, are reported in Column B. These are totaled and reported in Column C.

Columns D through I or D through J* are used to allocate costs to each program. Percentage data will be documented in columns D – I or D – J on the Cost Allocation Worksheet. The percentage data from this worksheet will be entered online in the Cost Allocation Percentage Table which will be used to calculate and allocate costs from Column C into Columns D – I or D – J of the online Cost Allocation Sheet.

Finally, a per meal cost is calculated for lunch and breakfast. The Per Meal Cost (Line 12) is calculated by dividing the Total Cost (Line 10) by the Total Number of Reimbursable Meals Served (Line 11).

The process of allocation is important because the per meal costs determine whether a food service program (public schools only) will receive a State Supplemental Payment. (See **Allocation of Costs** in *Related Topics*, pages 8-11)

The discussion of categories of cost follows the definition of Columns A through J.*

***Participants in the At-Risk Afterschool Snack/Supper Program, Fruit and Vegetable Program, and/or Summer Food Service Program will have an additional column, J, to complete.**

The Columns

TOTAL COST ALLOCATION - Columns D through J:

These columns are used to report the costs for each separate operational center.

- Each represents a different function.
- Columns D, E, F, G and J* are all USDA funded reimbursable programs.
- Columns H and I are auxiliary operations.

***Participants in the At-Risk Afterschool Snack/Supper Program, Fruit and Vegetable Program, and/or Summer Food Service Program will have an additional column, J, to complete.**

Column D - Lunch Program:

Costs allocated to the National School Lunch Program by cost category.

Column E - Special Milk Program:

Costs allocated to the Special Milk Program by cost category. (See **Special Milk** in *Related Topics, page 5*)

Column F - Breakfast Program:

Costs allocated to the National School Breakfast Program by cost category.

Column G - Afterschool Snack Program:

Costs allocated to the Afterschool Snack Program by cost category.

Column H - A la Carte:

Costs allocated to the non-reimbursed portion of the food service operation by cost category. This includes any prepared food sold in or around the dining facility that is not a reimbursable meal such as: extra servings sold, adult meals, snacks, vended foods and a la carte milk sold to students who carry bag lunches.

Column I - Catering and Other Functions:

Costs allocated to the preparation and service of food in locations and at times other than school meals by cost category. Trays of food sent to staff meetings, meals provided for board meetings, meals sold to Head Start, Senior Feeding or a Summer Food Service Program are all examples of catered functions.

Note: For those school districts **acting as a sponsor** for the Summer Food Service Program, **costs should be reported under Column J and not Column I on the 2004/05 Year End Report.**

Column J – At Risk Afterschool Snack/Supper, Fruit and Vegetable Program, and/or Summer Food Service Program.

Costs allocated to the At Risk Afterschool Snack/Supper Program, Fruit/Vegetable Program, and/or Summer Food Service Program by cost category.

Note: The percentage data that is documented on the Cost Allocation Worksheet will be entered online in the Cost Allocation Percentage Table which will be used to calculate and allocate costs from Column C into Columns D – I or D – J of the online Cost Allocation Sheet.

TOTAL COST - Columns A, B and C:

Round all figures up or down to nearest dollar in Columns A and B.

Column A:

Enter costs paid from the Food Service Fund.

Column B:

Enter costs paid from other school funds. Any costs absorbed by the district for food service program belong in this column. Typical costs may include a portion of trash hauling, pest control, data processing services and supervision.

Column C:

Enter the sum of Column A and Column B for Lines 1-6.

Note: The cost information that is documented in Columns A and B on the Cost Allocation Worksheet will be entered online in the Cost Allocation Sheet. The sum of Columns A and B will be inserted automatically into Column C of the online Cost Allocation Sheet.

The Lines

COST CATEGORIES:

Line 1. Salaries

Salaries earned by staff who are directly involved with the food service program. Prorate salaries of staff who perform other duties in addition to food service.

Line 2. Employee Benefits

Benefit costs for staff who are directly involved with food service program. Prorate benefits of staff who perform other duties in addition to food service.

Line 3. Contract Services

Costs for services provided by outside sources. Examples include, but are not limited to, food service management fees, trash removal, linen service, pest control, data processing services, and equipment repair.

Note: The contract services line indicates that utilities should not be included in this cost category. **However, utility cost can be recorded under contract services as long as this cost is not included in the Unrestricted Indirect Cost Rate. If utility cost is included in the Unrestricted Indirect Cost Rate, then utility cost cannot be recorded as a direct cost under contract services.** School Food Service Programs that are being charged directly for their utility cost must have documentation available to show how the school district is determining this cost for their program. Documentation could include an actual meter reading or a utility usage study.

Line 4. Transportation Supplies

Costs of operating a vehicle used in transporting meals and food throughout the district. Typical costs are gas, oil, tires, and tune ups.

Line 5. Supplies and Other Materials

Costs of non-food items. This includes cleaning supplies, paper goods, small equipment (less than \$5,000), or other items necessary to operate the food service program.

The following equation may be used to determine the cost:

Beginning Inventory (plus) Purchases (minus) Ending Inventory (equals) Cost.

Using this equation may be extra work for small food service operations. Therefore, using the total amount of purchases in allowable.

Line 6. Subtotal

For each Column A-J, add Lines 1 through 5. Enter the total for each on Line 6.

Note: This sum will be calculated and inserted automatically into line 6 of the online Cost Allocation Sheet.

Line 7. Indirect Cost

For Columns C-J, multiply Line 6 by the unrestricted indirect cost rate and enter in Line 7.

- The maximum unrestricted indirect cost rate allowed for public schools is **15%**. However, if the school district's approved unrestricted indirect cost rate, according to the **MDE Indirect Cost Rate Summary Report - R0418***, is lower than the maximum rate allowed, then the school must use this rate when determining the amount of indirect cost entered on line 7 for columns C-J. If the unrestricted rate assigned to the school district exceeds 15%, then the maximum rate that can be used by the school is 15%.

- The maximum unrestricted indirect cost rate for non-public schools is **12%**.
- Food service programs *charged* for indirect cost must also list that charge in Cell A7. (See **Indirect Rate** in *Related Topics*, pages 5-6).

Note: Line 6, columns C-J, will be multiplied by the unrestricted indirect cost rate that has been assigned to your school district. This rate will be inserted automatically into the Indirect Cost Rate text box of the online Cost Allocation Sheet. The result will be inserted automatically into line 7 of the online Cost Allocation Sheet.

* The MDE Indirect Cost Rate Summary Report – R0418 can be accessed as follows:

Go to www.michigan.gov/mde
 Click on “Programs and Offices”
 Click on “Grants Coordination and School Support”
 Click on “Fiscal Reporting” under Office Units and Services
 Click on “MDE Indirect Cost Rate Summary Report-R0418”. Use the information in the far right column entitled, “Unrestricted Indirect Cost Rate”.

Line 8. Depreciation

For Columns C-J, enter the amount of annual depreciation. This includes depreciation for food service equipment, vehicles and computer systems. (See **Developing a Depreciation Schedule** in *Related Topics*, page 6)

Line 9. Food Cost

In Columns A-J, when applicable, enter the amount of food cost incurred for the entire food service operation. Adjust cost for rebates or resold items. Do not enter total purchases; use the following equation:

Beginning Inventory (plus) Purchases (minus) Ending Inventory (equals) Food Cost

Note: The ending inventory will become next year’s beginning inventory. (See **Food Cost and Inventory – Line 9** in *Related Topics*, pages 7-8)

Remember: When determining the cost of your commodities, do not use the market value from the PAL report. To determine the cost of your commodities, use your monthly warehouse delivery invoices to obtain the cost of your commodities (processing and delivery fees). This is the actual cost that you paid for your commodities.

Line 10. Total Cost

Total Lines 6 through 9 in all applicable columns. Enter on Line 10.

Note: This sum will be inserted automatically into line 10 of the online Cost Allocation Sheet.

Line 11. Total Meals Served

Enter the total number of reimbursable meals served this school year in the appropriate column: Column D for Lunch and Column F for Breakfast. If you use status reports to determine the total number of meals claimed for the year:

- Add the number of servings listed next to “TOTAL” for lunch from each status report. Enter this total in Column D.
- Add the number of servings listed next to “TOTAL” for breakfast from each status report. Enter this total in Column F.

Do not add in the amounts listed next to “Reduced” and “Free” as they are included in the “Total” amount.

Note: The total number of reimbursable meals for breakfast and lunch that have been submitted on the monthly claim forms will be inserted automatically into line 11, cells D11 and F11 of the online Year End Report. Remember it is imperative that all claims for SY 2004-05 (July 2004 through June 2005) be submitted and processed by MDE. All meals claimed for the school year must be included to ensure the accuracy of the per meal cost for lunch and breakfast.

Line 12. Per Meal Cost

Divide the Total Cost, Line 10, by the Total Number of Reimbursable Meals Served, Line 11, for Column D (Lunch) and Column F (Breakfast). **Do not round this amount, use dollars and cents.**

Note: The per meal cost for lunch and breakfast will automatically be calculated and inserted into line 12, cells D12 and F12 on the online Cost Allocation Sheet.

Revenue and Balance Worksheet

1. Beginning Balance

Enter the balance of the food service fund from last year’s audit report dated June 30, 2004. Do not use the ending balance from last year’s Revenue and Balance Sheet of the Year End Report.

2. School Meals Program Revenue

Enter the total amount of revenue (cash) received from **student** payments. This

includes Paid and Reduced Price breakfasts, lunches, and afterschool snacks and student payments for Special Milk.

3. **A la Carte**

Enter all revenue received this year from food sales in the dining area or school that is **not** from reimbursable meals or *Catering and Other Functions*. Revenue for A la Carte may include: adult meals, extra portions, a la carte milk sales, and other miscellaneous food items.

4. **Catering and Other Functions**

Enter all revenue from catering functions, selling food items to other organizations or **acting as a vendor** to other food programs (e.g. Summer Food Service Program). Revenue from special event meals, banquets and the Summer Food Service Program is included in this category.

Note: For those school districts **acting as a sponsor** for the Summer Food Service Program, revenue will be inserted automatically into line 5 of the online Revenue and Balance Sheet.

5. **Federal Revenue**

Enter the total amount of reimbursement revenue earned from the **School Lunch, Breakfast, Special Milk, Afterschool Snack Program, At Risk Afterschool Snack/Supper Program, Fruit and Vegetable Program, and/or Summer Food Service Program**. This is the total amount earned from your monthly claims.

Note: This revenue information will be inserted automatically into line 5 of the online Revenue and Balance Sheet. Make sure that all claims for SY 2004-05 have been submitted and processed by MDE.

5a. **Breakfast Payment Reconciliation**

For those schools who received a status report entitled, "Breakfast Payment Reconciliation for School Year 2004", enter this reconciled amount as a negative adjustment on the Year End Report. Use a minus (-) sign to identify this negative adjustment. This status report was dated October 18, 2004.

Note: This reconciled amount will be inserted automatically as a negative adjustment into line 5a of the online Revenue and Balance Sheet.

6. **State Revenue**

31d - Current Year Allowances and Prior Year Adjustments

Non-Public Schools:

A zero will be reported for Item 6 since state revenue is not received by non-public schools.

Public Schools:

Enter the **total 31d school lunch payment for 2005**, which is part of the State Aid Payment. The total that will be received for 2005 is listed on the State Aid Financial Status Report under “**Current Year Allowances - Amount**” as: **31d School Lunch**.

Note: The total 31d School Lunch payment amount for 2005 will be inserted automatically into line 6 of the online Revenue and Balance Sheet.

Adjustments are listed under **Prior Year Adjustments - Amount** as: **31d 2004 School Lunch**. This adjustment may be positive or negative. Use a minus (-) sign to identify a negative adjustment.

Note: This 31d School Lunch adjustment for 2004 will be inserted automatically into line 6 of the online Revenue and Balance Sheet. A minus (-) sign will be used to identify a negative adjustment.

The State Aid Financial Status Reports can be accessed as follows:

Go to the MDE website: <http://www.michigan.gov/mde>
Click on “Programs and Offices”
Click on “State Aid and School Finance”
Go to “What’s New”
Click on “Current Monthly State Aid Financial Status Reports”
Click on your ISD Code and scroll to your school district

State Supplemental Breakfast Payment:

If applicable, enter the amount received for the Supplemental Breakfast Payment, which was paid in October 2004. This status report was dated October 18, 2004.

Note: This State Supplemental Breakfast Payment amount will be inserted automatically into line 6 of the online Revenue and Balance Sheet.

7. Fund Modification (+ or -)

Enter the amount of money added or taken from the food service fund. Fund modifications involve money being advanced or transferred from the general fund into the school food service fund. The fund modification line **only** reports the amount of net change that has occurred to the food service fund. If money is being taken from the food service fund that would result in a negative net change, make sure to use a minus (-) sign to identify this negative adjustment.

Remember, advances are considered loans that can be paid back to the general fund; transfers are considered gifts that cannot be paid back to the general fund. School districts must maintain documentation of any fund modifications and clearly define if the modification was an advance or a transfer.

There are very strict definitions of the allowed transfers (See **Fund Modification** in *Related Topics*, page 5).

The fund modification line **is not** to be used to report Indirect Cost that is charged to the food service fund. Indirect cost that is charged to the food service fund is to be reported in Column A, line 7 on the online Cost Allocation Sheet of the Year End Report.

8. Miscellaneous

Enter amounts of money added to or taken out of the food service fund that are of a minor or occasional nature. Include any interest earned on the food service account.

9. Total Revenue

Calculate the total of Lines 2 through 8. **Be sure to subtract negative adjustments when calculating the total.** This is the total revenue for the year.

Note: This sum will be calculated and inserted automatically into line 9 of the online Revenue and Balance Sheet.

10. Total Funds Available

Enter the total of Line 1 and Line 9.

Note: This sum will be calculated and inserted automatically into line 10 of the online Revenue and Balance Sheet.

11. Expenses

Enter the total costs charged to the food service fund for the entire food service program on Line 11. See Cell A10 on the back of the worksheet.

Note: The total cost will be inserted automatically into line 11 of the online Revenue and Balance Sheet. This information will be taken from Cell A10 of the online Cost Allocation Sheet.

12. Capital Outlay

Enter expenditures for equipment purchases for this year that exceeded \$5000 per item or like items. (See **Developing a Depreciation Schedule** in *Related*

13. Total Expenditures

Enter the sum of Lines 11 and 12.

Note: This sum will be calculated and inserted automatically into line 13 of the online Revenue and Balance Sheet.

14. Ending Balance

Line 10 minus line 13.

Note: This result will be calculated and inserted automatically into line 14 of the online Revenue and Balance Sheet.

Certification

The Year End Report will be submitted electronically and certified online by the individual who has received this authorization. The Security Access Form for this individual must be received and processed by our office prior to being granted access to the online Year End Report.

**DO NOT MAIL THIS WORKSHEET
INFORMATION MUST BE SUBMITTED ELECTRONICALLY**

2004/2005 Year End Report Worksheet

School Meals Program

School Lunch, Breakfast, Afterschool Snack and Special Milk

Make a copy of your Online Year End Report for your files.
Report must be submitted online via the Michigan
Education Information System (MEIS) by the following
deadline:

Final Due Date: July 31, 2005

REVENUE AND BALANCE WORKSHEET (Report Whole Dollars Only)

1. BEGINNING BALANCE (balance from last year's audit report)		\$.00
2. School Meals Program Revenue (student payments for Meals/Milk)	\$.00	
3. A la Carte Revenue	\$.00	
4. Catering Revenue	\$.00	
5. Federal Revenue (reimbursement)	\$.00	
5a. 2004 Breakfast Payment Reconciliation	\$.00	
6. State Revenue		
31d School Lunch: 2005 Total Revenue	\$.00	
2004 Prior Year Adjustment (+ or -)	\$.00	
State Supplemental:		
2004 Breakfast Payment	\$.00	
7. Fund Modifications (+ or -)	\$.00	
8. Miscellaneous	\$.00	
9. TOTAL REVENUE (sum of lines 2 through 8)		\$.00
10. Total Funds Available (line 1 plus line 9)		\$.00
11. Expenses (back of form, cell A10)	\$.00	
12. Capital Outlay	\$.00	
13. Total Expenditures (line 11 plus line 12)		\$.00
14. ENDING BALANCE (line 10 minus line 13)		\$.00
Certification: Year End Report will be submitted electronically and certified online by the individual who has received this authorization.		

COST ALLOCATION WORKSHEET

National School Lunch, Breakfast, Afterschool Snack and Special Milk Programs

School Year 2004/05

Total Cost (Whole Dollars Only) (Round to the nearest whole dollar)			Cost Categories	Total Cost Allocation (Percentages Only) Document percentage data in Columns D-I by cost category. Enter data online via Cost Allocation Percentage Table.					
Paid From Food Service A	Paid From Other Funds B	Total Cost Columns (A + B) C	Percentage data in Columns D-I will be used to allocate cost from Column C into Columns D-I of the online Cost Allocation Sheet	School Lunch Program D	Special Milk Program E	School Breakfast Program F	Afterschool Snack Program G	A la Carte H	Catering & Other Functions I
			1. Salaries (Food Service Related)						
			2. Employee Benefits						
			3. Contract Services (Not Utilities)						
			4. Transportation Supplies						
			5. Supplies and Other Materials						
			6. SUBTOTAL	Do not document percentage data on line 6, Columns D-I.					
			7. Indirect Cost (Rate x Line 6)	Do not document percentage data on line 7, Columns D-I.					
			8. Depreciation						
			9. Food Cost						
			10. Total Cost (Sum of Lines 6-9)	Do not document percentage data on line 10, Columns D-I.					
			11. Total Number of Reimbursable Meals Served This Year						
			12. PER MEAL COST (Line 10 ÷ Line 11)						

COST ALLOCATION WORKSHEET

National School Lunch, Breakfast, Afterschool Snack and Special Milk Programs

School Year 2004/05

Total Cost (Whole Dollars Only) (Round to the nearest whole dollar)			Cost Categories	Total Cost Allocation (Percentages Only) Document percentage data in Columns D-J by cost category. Enter data online via Cost Allocation Percentage Table.						
Paid From Food Service A	Paid From Other Funds B	Total Cost Columns (A + B) C	Percentage data in Columns D-J will be used to allocate cost from Column C into Columns D-J of the online Cost Allocation Sheet	School Lunch Prog D	Special Milk Prog E	School Breakfast Prog F	After-School Snack Prog G	A la Carte H	Catering & Other Functions I	At Risk Afterschool Snack/Supper J
			1. Salaries (Food Service Related)							
			2. Employee Benefits							
			3. Contract Services (Not Utilities)							
			4. Transportation Supplies							
			5. Supplies and Other Materials							
			6. SUBTOTAL	Do not document percentage data on line 6, Columns D-J.						
			7. Indirect Cost (Rate x Line 6)	Do not document percentage data on line 7, Columns D-J.						
			8. Depreciation							
			9. Food Cost							
			10. Total Cost (Sum of Lines 6-9)	Do not document percentage data on line 10, Columns D-J.						
			11. Total Number of Reimbursable Meals Served This Year							
			12. PER MEAL COST (Line 10 ÷ Line 11)							

COST ALLOCATION WORKSHEET

National School Lunch, Breakfast, Afterschool Snack and Special Milk Programs

School Year 2004/05

Total Cost (Whole Dollars Only) (Round to the nearest whole dollar)			Cost Categories	Total Cost Allocation (Percentages Only) Document percentage data in Columns D-J by cost category. Enter data online via Cost Allocation Percentage Table.							
Paid From Food Service A	Paid From Other Funds B	Total Cost Columns (A + B) C	Percentage data in Columns D-J will be used to allocate cost from Column C into Columns D-J of the online Cost Allocation Sheet	School Lunch Prog D	Special Milk Prog E	School Breakfast Prog F	After-school Snack Prog G	A la Carte H	Catering & Other Functions I	Fruit & Vegetable Program J	
			1. Salaries (Food Service Related)								
			2. Employee Benefits								
			3. Contract Services (Not Utilities)								
			4. Transportation Supplies								
			5. Supplies and Other Materials								
			6. SUBTOTAL	Do not document percentage data on line 6, Columns D-J.							
			7. Indirect Cost (Rate x Line 6)	Do not document percentage data on line 7, Columns D-J.							
			8. Depreciation								
			9. Food Cost								
			10. Total Cost (Sum of Lines 6-9)	Do not document percentage data on line 10, Columns D-J.							
			11. Total Number of Reimbursable Meals Served This Year								
			12. PER MEAL COST (Line 10 ÷ Line 11)								

COST ALLOCATION WORKSHEET
National School Lunch, Breakfast, Afterschool Snack and Special Milk Programs
School Year 2004/05

Total Cost (Whole Dollars Only) (Round to the nearest whole dollar)			Cost Categories	Total Cost Allocation (Percentages Only) Document percentage data in Columns D-J by cost category. Enter data online via Cost Allocation Percentage Table.						
Paid From Food Service A	Paid From Other Funds B	Total Cost Columns (A + B) C	Percentage data in Columns D-J will be used to allocate cost from Column C into Columns D-J of the online Cost Allocation Sheet	School Lunch Prog D	Special Milk Prog E	School Breakfast Prog F	After-School Snack Prog G	A la Carte H	Catering & Other Functions I	Summer Food Service Program J
			1. Salaries (Food Service Related)							
			2. Employee Benefits							
			3. Contract Services (Not Utilities)							
			4. Transportation Supplies							
			5. Supplies and Other Materials							
			6. SUBTOTAL	Do not document percentage data on line 6, Columns D-J.						
			7. Indirect Cost (Rate x Line 6)	Do not document percentage data on line 7, Columns D-J.						
			8. Depreciation							
			9. Food Cost							
			10. Total Cost (Sum of Lines 6-9)	Do not document percentage data on line 10, Columns D-J.						
			11. Total Number of Reimbursable Meals Served This Year							
			12. PER MEAL COST (Line 10 ÷ Line 11)							

Related Topics

Year End Report Worksheet for School Lunch, Breakfast, Special Milk, Afterschool Snack SM-4012-A

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Use of the Year End Report

Michigan Department of Education

The Michigan Department of Education (MDE) has three mandated uses for the data collected on the Year End Report. One is based on federal regulation; the other two are for calculating state payments.

- USDA requires that the ending balance of the food service fund does not exceed three months of operating cost. MDE compares the ending balance (Line 14, Revenue) with **Total Cost**, Cell C10, on the back of the form. Districts that have a large balance will be asked to develop a plan for reducing it to an acceptable level during the following school year.
- The State of Michigan makes supplemental payments to **public** schools for the mandated lunch and breakfast programs. The calculated state supplemental payment for lunch is no longer issued as a separate payment. It is part of the Section 31d state aid payment which is paid over eleven months (October through August). The lunch cost, Cell D12, is compared with the federal reimbursement rate for free and reduced lunches. Districts receive additional funds when their cost per meal exceeds this rate. Prorated payments from the State of Michigan (up to 5¢ for each free lunch and 2¢ for each reduced price lunch) will be made only if costs exceed the federal reimbursement rate.
- Currently, the state supplemental breakfast payment is issued separately. The calculation for determining payment includes the revenue received for the breakfast program as well as the cost of producing a breakfast, which is reported in Cell F12.
- State supplemental payments are only made when they can be justified by cost. Supplemental lunch payments will be made when cost exceeds federal reimbursement. Supplemental breakfast payments will be made when several criteria are met, including when cost exceeds all sources of revenue into the program.

In addition to the required uses of the Year End Report, MDE consultants will use your report as a preliminary tool when providing technical assistance. MDE also publishes a compilation of all the Year End Report data each fall so that general comparisons can be made between districts (See **Use of the Year End Report by District**).

Note: Non-public schools are not mandated to serve breakfast or lunch and are therefore not eligible for state supplemental payments.

Districts

The report can be used by a district to track the progress of the food service program throughout the year. The form could be adapted for use on a weekly, monthly, or quarterly basis. It could also be used to compare year to year results or to make comparisons with similar districts.

Revenue varies year to year and is an indicator of the economic status of the students and/or how well the food service is being marketed. A study of total revenue may obscure the importance of the types of revenue. A district with historic reliance on high A la Carte sales may suffer greatly and quickly in an economic downturn.

Districts should look at indicators like Food Cost % and Labor Cost % to compare periods with different revenue.

Calculation of Food Cost and Labor Cost percentages shown below is followed by a brief matrix of what the indicators mean.

Example:

Revenue from Revenue and Balance line 9.	\$133,450
Food Cost from Allocation of Cost Cell C9.	\$ 42,222
Labor Cost from Allocation of Cost Cell C1 + C2	\$ 61,345
Food Cost %	Labor Cost %
$\$42,222 \div \$133,450 = 31.6\%$	$\$61,345 \div \$133,450 = 45.9\%$

Condition	Scenario
Labor cost % is increasing	Revenue is decreasing. Labor cost is going up due to raises in salaries or benefits. Hours are increasing while revenue is not increasing accordingly. Combination of above.
Labor cost % is larger than 50%	Revenue is too low. Labor hourly rates are above state averages. Hours are above the state averages. Combination of above.
Labor cost is less than 30%	There is an extreme reliance on convenience foods. There is a very efficient staff. There is a low labor market. There is an error in your report.
Food Cost % is increasing	More reliance on convenience foods. A shift from purchases of school lunch/breakfast to A la Carte items. Decreasing control of preparation or serving staff. Intentional increase in quality or quantity of foods served. Food prices are rising faster than revenue.
Food Cost % is above 45%	High reliance on convenience foods. Food waste is high. Portioning is not being emphasized. High reliance on A la Carte sales. Purchasing needs improvement. District is remote and/or small.
Food Cost % is below 30%	High level of self preparation of food. High use of commodities. Creative menus. Below normal levels of high quality or costly foods.

Accrual Accounting

Accrual accounting is a method of applying cost and revenue to the proper period. The method is used so a simple profit and loss calculation can be done accurately. In the case of revenue, schools operate primarily on a cash basis, so the revenue as collected usually falls into the proper year. The exception to this is districts that have significant advance sales such as debit card systems. Costs too are generally applied in the period in which they are paid with the exception of large inventory items like food. Use of accrual methods will give a more accurate “snapshot” of a particular year. Actual revenue earned in a year can be compared to the cost of earning that revenue.

Revenue and Balance

Special Milk vs A La Carte Milk Revenue

Special Milk

This USDA program only provides funding for the service of milk to split-session kindergarten or pre-school children who have **no meal program** available.

- When breakfast is implemented in a school system the Special Milk program is not available to A.M. kindergarten.
- P.M. kindergarten may be eligible for Special Milk if lunch is not available to any of the kindergarten students.

A La Carte

Milk sold to students (who carry their lunch or buy an extra milk with their school meal) is considered a la carte. The cost and income of milk sales are included in the A La Carte program.

Fund Modification – Line 7

Often food service account balances are too small to begin each year and balances are adjusted with advances from the general fund. Occasionally, food service funds slip into deficit and receive transfers from the general fund to remove the deficit. Advances to the food service accounts can be returned to the general fund but transfers **cannot**. Care must be taken in documenting whether funds from the general fund were defined as advances (temporary) or transfers (permanent). The (+ or -) fund modification line on the yearly report records only the amount of net change. The district must maintain documentation of any fund modifications.

The net effect of funds in and out of the food service account should be shown on line 9 of the **online Revenue and Balance Sheet** of the Year End Report. Use a minus (-) sign to designate negative numbers.

The fund modification line **is not** to be used to report Indirect Cost that is charged to the food service fund. Indirect cost that is charged to the food service fund is to be reported in Column A, line 7 on the **online Cost Allocation Sheet** of the Year End Report.

Cost Allocation

Indirect Rate – Line 7

Indirect costs are costs that cannot be tied to a specific area of operation. The heating of the school, plowing of the parking lot, and custodial care of general traffic areas are of benefit to each operation in the school.

The indirect cost rate is an attempt to give districts a method to assign costs to each area fairly. Districts receive their preliminary indirect cost rate on the RO418 report from the Office of Budget of MDE each year and adjust it for changes. The changes result in a calculation of two indirect cost rates, the restricted and the unrestricted. School food service must use the **Unrestricted Rate**. The rate is applied against fixed and semi-variable costs as represented in **Cells C6 through J6** on the Year End Report. Any cost represented in the indirect cost rate must **not** be shown in Column A or B. For example, custodial costs included in the calculation of the indirect rate could therefore **not** be shown in line 1 of column A or B, as salaries.

Districts which “charge” the food service fund for indirect cost must show them in Column A, line 7 and hence reduce the food service fund. Food service programs that are **charged for indirect costs** by their school district must **enter that charge in cell A7**. The amount that is entered in **cell A7 cannot exceed the amount that is automatically calculated and inserted in cell C7 of the online Cost Allocation Sheet** of the Year End Report.

- The maximum unrestricted indirect cost rate allowed for public schools is **15%**. However, if the school district’s approved unrestricted indirect cost rate, according to the **MDE Indirect Cost Rate Summary Report - R0418**, is lower than the maximum rate allowed, then the school must use this rate when determining the amount of indirect cost entered on line 7 for columns C-J. If the unrestricted rate assigned to the school district exceeds 15%, then the maximum rate that can be used by the school is 15%.
- The maximum unrestricted indirect cost rate for non-public schools is **12%**.

Developing a Depreciation Schedule – Line 8

Depreciation divides the cost of capital goods greater than \$5,000 in value into the number of years of its life. Food service equipment is depreciated over twelve years. Divide cost, including delivery and installation, by 12 to find the amount to “charge” each year. Heavy vehicles use six years (divide by 6), light vehicles use four years (divide by 4) and electronics, like computers, use 5 years (divide by 5).

Enter each depreciation amount on the schedule, total them and use this amount on each Year End Report until something is added or taken from the schedule.

When the amount changes use it until another change is made.

Depreciation Schedule Example

Equipment/Vehicle or Electronics	Cost	Date of Purchase	Depreciation Value	Date of Expiration
Delivery Van	\$11500	11/8/03	\$2,875.00	11/8/07
Convection Oven	\$7000	8/16/03	\$583.33	8/16/15
Total (use each year)			\$3,458.33	

Food Cost and Inventory – Line 9

See the example below in which an accrual accounting procedure (inventory adjustment) is contrasted with non-accrual in calculating food cost.

Food Purchases	\$20,500
Beginning Food Inv.	\$ 900
Ending Food Inv.	\$13,300

Accrual Method	
Food Cost:	
Beginning Inv.	\$ 900
+ Purchases	\$20,500
- Ending Inv.	<u>\$13,300</u>
Food Cost	\$ 7,100

Non-Accrual Method
Food Purchases shown as Food Cost:
\$20,500

Using food purchases (non-accrual method) will greatly overstate food cost in years in which inventory is growing. Conversely, in the years in which inventory is being used there will be fewer purchases and food cost will appear low. Typically, districts that make this error have high food costs in one year followed by low food costs the next year.

Inventory

Inventory should be taken of all food items at least monthly. The food inventory should be used to order food and to monitor inventory turnover. Only the ending inventory needs to be **priced** (extended) each year and used in the cost of goods calculation as demonstrated above. A shortened version of an inventory form follows. It is easily converted to an electronic spreadsheet.

Inventory Form Example

Check if Commodity	Food	Pack	Purchase Price/Case	# of Cases	# of Indiv. Units	Cost
Total Cost						

To calculate the value, multiply the case price by the number of cases. When quantities are part of the case, proportional pricing should be done.

Example:

Price per case of Peaches (6 #10 cans) \$26.45

Count: 5 cases 4 cans

$\$26.45 \times 5 = \132.25 plus $\$26.45 \times 4/6 = \$17.63 \rightarrow \rightarrow$ **\$149.88**

For purchased food use the most current price. For commodities use the “cost of delivery and processing” as charged by the distribution warehouse.

Each Summer the auditors will request your inventory. The only difference from your closing inventory (June 30) is that the commodity portion will be valued at the market value as published in *Food Scoop* from MDE. However, the market value must **never** be used when calculating food cost for the Year End Report.

The calculation method used for determining food cost may be used for **Supplies and Other Material** costs. This will provide more accurate Year End Report data.

Allocation of Costs – Columns D through J**

After all the cost data (Columns A & B) is entered in the **Program Cost** section of the Year End Report, the sum of Columns A and B is automatically inserted into Column C. Column C shows the total cost of all operational centers in the food service; School Lunch, Breakfast and A la Carte.

To obtain the cost per meal (see **Use of Year End Report by MDE** in the *Related Topics*), a method must be used to assign cost into the operational centers. The Salary and Benefits (Lines 1 & 2) should be allocated based upon a labor study (see **Labor Study Example**). The Food Cost (Line 9) should be allocated based on the proportion of purchases used in each operational center (See **Food Cost Study Example**). The remaining lines should be allocated based on an average of labor and food cost (See **The Remaining Cost**). Study the examples that follow.

****Participants in the At-Risk Afterschool Snack/Supper, Fruit and Vegetable Program, and/or Summer Food Service Program will have an additional column, Column J, to complete.**

Labor Study Example

Distribute notebooks or forms to the employees on which they will record the amounts of time they spend in each operational area for at least a week. Add all of the hours for each operational area and divide each by the total hours. The resulting percentages are applied against Cells C1 & C2 (Salaries and Benefits)

The following is an example of a form an employee may use to record their time working in food service.

Elm St. School – Marie Jones

Day	School Lunch Program	Special Milk Program	School Breakfast Program	Afterschool Snack Program	A la Carte	Catering	At Risk Afterschool Snack/Supper	Total
Monday	4.0 hr.	1.0 hr.	.5 hr.	.5 hr.	.5 hr.		4 hr.	10.5 hr.
Tuesday	4.0 hr.		.5 hr.	.5 hr.	.5 hr.	1.0 hr.	4 hr.	10.5 hr.
Wednesday	3.5 hr.		.5 hr.	.5 hr.	1.0 hr.		3.5 hr.	9.0 hr.
Thursday	4.5 hr.	.5 hr.		.5 hr.	.5 hr.	.5 hr.	4 hr.	10.5 hr.
Friday	3.5 hr.			.5 hr.	.5 hr.		3 hr.	7.5 hr.
Total	19.5 hr.	1.5 hr.	1.5 hr.	2.5 hr.	3.0 hr.	1.5 hr.	18.5 hr.	48 hr.

Individual staff times can be compiled into a chart like the one below.

Labor Compilation Example

School	School Lunch Program	Special Milk Program	School Breakfast Program	Afterschool Snack Program	A la Carte	Catering	At Risk Afterschool Snack/Supper	Total
Elm St.	19.5 hr.	1.5 hr.	1.5 hr.	2.5 hr.	3.0 hr.	1.5 hr.	18.5 hr.	48.0 hr.
Hill Elem.	20.0 hr.	1.0 hr.	2.0 hr.	3.0 hr.	3.5 hr.	2.0 hr.	10.5 hr.	42.0 hr.
Middle	42.5 hr.		4.5 hr.		7.0 hr.	3.5 hr.		57.5 hr.
Jr. High	38.5 hr.		3.5 hr.		12.5 hr.	7.0 hr.		61.5 hr.
High	22.5 hr.		3.0 hr.		28.0 hr.	12.5 hr.		66.0 hr.
Total	143.0 hr.	2.5 hr.	14.5 hr.	5.5 hr.	54.0 hr.	26.5 hr.	29.0 hr.	275.0 hr.

After the Labor Compilation is completed, calculate the **Labor Cost Percentage**. Use the following formula:

$$\text{Operational Center Hours} \div \text{Total Labor Hours} = \text{Labor Cost \%}$$

Labor Cost Percentage Example

Hr ÷ Total Hr = %	143 ÷ 275 = .520	2.5 ÷ 275 = .009	14.5 ÷ 275 = .053	5.5 ÷ 275 = .020	54 ÷ 275 = .196	29 ÷ 275 = .106	26.5 ÷ 275 = .096
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Care should be used when calculating labor percentages. If the week recorded was not typical, some judgment should be made to adjust actual hours to something more realistic. The labor cost percentages will be applied to total salary (See **Applying the Results of Labor and Food Cost Studies**).

Food Cost Study Example

Review food invoices for a representative period. The period should reflect all typical deliveries. Commodity invoices should also be used with the price of the items based upon the cost of processing and/or delivery. Highlight or use other ways of identifying food items used only in certain areas (i.e. Lunch, A la Carte). Decide on a reasonable proportion of the cost of items that are used in more than one area and pencil in that cost as shown in the example below:

Example: Flour Purchases: \$54.50

Estimated use rate: Lunch 60% Breakfast 10% A la Carte 20% Catering 10%

The assignment of cost:

Lunch: \$32.70 Breakfast: \$5.45 A la Carte: \$10.90 Catering: \$5.45

Food purchases by operational center would be compiled into a chart like the one below. Calculate the Food Cost Percentage.

Food Cost Compilation Example

	School Lunch Program	Special Milk Program	School Breakfast Program	Afterschool Snack Program	A la Carte	Catering	At Risk Afterschool Snack/Supper	Total
Purchases	\$14,320	\$879	\$1,240	\$940	\$9,755	\$3,267	\$6,500	\$36,901

After the Food Cost Compilation is completed, calculate the **Food Cost Percentage**. Use the following formula:

$$\text{Operational Center Food Purchases} \div \text{Total Food Purchases} = \text{Food Cost \%}$$

Food Cost Percentage Example

\$ ÷ Total \$ = %	14320 ÷ 36901 = .388	879 ÷ 36901 = .024	1240 ÷ 36901 = .034	940 ÷ 36901 = .025	9755 ÷ 36901 = .264	3267 ÷ 36901 = .089	6500 ÷ 36901 = .176
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Applying the Results of Labor and Food Cost Studies

Make a copy of the back of a blank Year End Report. In each Cell from D1 to J1 and D2 to J2, write the corresponding labor cost percentages. In each cell D9 to J9 write the corresponding food cost percentages.

	Total Cost C	School Lunch Program D	Special Milk Program E	School Breakfast Program F	Afterschool Snack Program G	A la Carte H	Catering I	At Risk Afterschool Snack/Supper J
1. Salaries		52.0	0.9	5.3	2.0	19.6	10.6	9.6
2. Benefits		52.0	0.9	5.3	2.0	19.6	10.6	9.6
3. Contract								
4. Transp.								
5. Supplies								
6. Subtotal								
7. Indirect								
8. Deprec.								
9. Food Cost		38.8	2.4	3.4	2.5	26.4	8.9	17.6
10. Total								

For determining the cost % for Lines 3-5 and Line 8 of Columns D-J. Use this formula:

Line (1 + 9) ÷ 2 = cost % for Lines 3-5 and Line 8.

Example of Determining Lines 3-5 and Line 8 Cost Percentages

.520 + .388 ÷ 2	.009 + .024 ÷ 2	.053 + .034 ÷ 2	.020 + .025 ÷ 2	.196 + .264 ÷ 2	.106 + .089 ÷ 2	.096 + .176 ÷ 2
.454	.017	.044	.022	.230	.097	.136

Remaining Cost

Enter the percentages into the applicable cells.

	Total Cost C	School Lunch Program D	Special Milk Program E	School Breakfast Program F	Afterschool Snack Program G	A la Carte H	Catering I	At Risk Afterschool Snack/Supper J
1.Salaries		52.0	0.9	5.3	2.0	19.6	10.6	9.6
2.Benefits		52.0	0.9	5.3	2.0	19.6	10.6	9.6
3.Contract		45.4	1.7	4.4	2.2	23.0	9.7	13.6
4.Transp.		45.4	1.7	4.4	2.2	23.0	9.7	13.6
5.Supplies		45.4	1.7	4.4	2.2	23.0	9.7	13.6
6.Subtotal								
7.Indirect								
8.Deprec.		45.4	1.7	4.4	2.2	23.0	9.7	13.6
9.Food Cost		38.8	2.4	3.4	2.5	26.4	8.9	17.6
10.Total								

Multiply Total Costs in Column C by the percentages in each cell to determine the cost allocations.

ONLINE INSTRUCTIONS

For the School Meals Program Year End Report (SM-4012-A)

School Year 2004/2005

Final MEIS Online Submission Due Date: **July 31, 2005**

DO NOT MAIL THE YEAR END REPORT WORKSHEET TO THE
MICHIGAN DEPARTMENT OF EDUCATION
IT IS FOR YOUR USE ONLY

THE YEAR END REPORT MUST BE COMPLETED AND SUBMITTED ONLINE VIA
THE MICHIGAN EDUCATION INFORMATION SYSTEM (MEIS):

<http://michigan.gov/meis>

PRINT A COPY OF THE COMPLETED REPORT FOR YOUR FILES

Direct questions regarding this report to: (517) 373-8642

Year End Report for School Meals Program

After completing your worksheet for the Year End Report, you will use it to enter your Cost Allocation Percentage Data, Cost, and Revenue information electronically on the Year End Report form (SM-4012-A), via the Michigan Education Information System (MEIS) at the following web site:

<http://michigan.gov/meis>. Go to this web site and click on "Year End Report School Meals Program - SM-4012-A/R". Enter your MEIS User ID and Password.

Main Page

After entering your User ID and Password on the log-in page, you will be directed to the Main Page. The Main Page will allow you to:

- Access the Cost Allocation Percentage Table
- Access the Cost Allocation Sheet
- Access the Revenue and Balance Sheet
- Meal Cost Difference Justification
- Certify the Year End Report

Remember, you must start with the Cost Allocation Percentage Table first and enter the percentage information before proceeding to the Cost Allocation Sheet.

Cost Allocation Percentage Table

Points to Know About the Cost Allocation Percentage Table:

Percentage data can be entered to two (2) decimal places (i.e., 56.65). Do not use percentage (%) signs when entering data.

Use the tab key to move from cell to cell in the cost allocation percentage table. You will not need to enter a "0" in those cells that will not have cost percentage data entered into them.

Percentage information can be entered and saved as work in progress. The Cost Allocation Percentage Table does not have to be completed all at once. Remember to click on the "Submit" button before exiting the sheet.

Error messages will be displayed in RED at the TOP of the Cost Allocation Percentage Table. Errors in the cost categories will appear in RED in the Cost Categories column.

Correct errors using the error messages displayed. Errors will be corrected when the error message is no longer displayed.

Each time amendments or corrections are made to the Cost Allocation Percentage Table; remember to click on “Submit” at the bottom of the sheet. Return to the Main Page and click on the “Cost Allocation Sheet”. Click on “Save” at the bottom of the Cost Allocation Sheet to recalculate and reallocate the costs in Columns D through I or D through J.

Print and keep a hard copy of the Cost Allocation Percentage Table for your files each time amendments or corrections are made to this sheet. Before printing this sheet, go to “File”, click on “Page Set-up”, click on “Paper Size” and click on “Landscape” under Orientation.

STEPS USED TO COMPLETE THE COST ALLOCATION PERCENTAGE TABLE

Step 1. Accessing the Cost Allocation Percentage Table:

From the Main Page, click on “Cost Allocation Percentage Table” to access this sheet. Use the Year End Report Cost Allocation Worksheet to enter the cost percentage information into this sheet.

Step 2. Entering Cost Allocation Percentage Information:

1. Enter percentage data in Columns D through I or D through J for each cost category. These percentages will be used to allocate the cost from Column C into Columns D through I or D through J** of the Cost Allocation Sheet.

****Participants in the At-Risk Afterschool Snack/Supper Program, Fruit and Vegetable Program and/or Summer Food Service Program will have an additional column, J, to complete on the Cost Allocation Percentage Table.**

2. When you have completed entering the percentage data, click on “Submit” at the bottom of the sheet. Return to the Main Page and proceed to the Cost Allocation Sheet.

Cost Allocation Sheet

Points to Know About the Cost Allocation Sheet:

Use whole numbers only when entering cost information. Do not use dollar (\$) signs, percentage (%) signs, or commas when entering data.

Use the tab key to move from cell to cell in the cost allocation sheet. You will not need to enter a “0” in those cells that will not have cost data entered into them.

All cells highlighted in blue and/or yellow are Read Only and will automatically be populated with data.

Cost information can be entered and saved as work in progress. The Cost Allocation Sheet does not have to be completed all at once. Remember to click on the “Save” button before exiting the sheet.

Error messages will be displayed in RED at the TOP of the Cost Allocation sheet.

Correct errors using the error messages displayed. Errors will be corrected when the error message is no longer displayed.

Each time amendments or corrections are made to the Cost Allocation Sheet, remember to click on “Save” at the bottom of the sheet.

To move to the Revenue and Balance Sheet, you must complete and save the Cost Allocation Sheet, then click on “Next Page”.

Print and keep a hard copy of the Cost Allocation Sheet for your files each time amendments or corrections are made to this sheet. Before printing this sheet, go to “File”, click on “Page Set-up”, click on “Paper Size” and click on “Landscape” under Orientation.

STEPS USED TO COMPLETE THE COST ALLOCATION SHEET

Step 1. Accessing the Cost Allocation Sheet:

From the Main Page, click on “Cost Allocation Sheet” to access this sheet. Use the Year End Report Cost Allocation Worksheet to enter the cost information into this sheet.

Step 2. Unrestricted Indirect Cost Rate Information:

In the upper right hand corner of the Cost Allocation Sheet, you will see a text box entitled, “Indirect Cost Rate.” Your school district’s assigned unrestricted indirect cost rate will automatically be populated into this box. If you attempt to enter a rate that is higher than the one assigned to your school district, an error message will appear and you will be instructed to reenter the assigned rate.

If your school district has instructed you to use a lower rate or to use “0”, you will be able to enter this information into the text box. When entering this lower rate or “0”, do not include a percentage sign. Only enter the number. For example, if the lower rate is 11.27%, you will enter 11.27 and click on “Save” at the bottom of the sheet.

This information will be used to calculate your indirect cost for line 7 of the Cost Allocation Sheet.

Private Schools: the maximum unrestricted indirect cost rate that is allowed for this report is 12%. This rate will automatically be populated into the text box. If your school has instructed you to use a rate that is less than 12%, then use that rate. If you attempt to enter a rate higher than 12%, an error message will appear and you will be instructed to reenter the assigned rate.

All other schools and ISD's: Information regarding your unrestricted indirect cost rate can be found by going to www.michigan.gov/mde, click on "Programs and Offices", click on "Grants Coordination and School Support", click on "Fiscal Reporting", click on "MDE Indirect Cost Rate Summary Report – R0418". Information in the far right column entitled, "Unrestricted Indirect Cost Rate" has been used to automatically populate the "Indirect Cost Rate" text box. If the unrestricted rate for your school exceeds 15%, the maximum rate that can be used is 15%. If the unrestricted rate for your school does not exceed 15%, the unrestricted rate assigned to your school will be used in this report.

Step 3. Entering Cost Allocation Information:

1. Enter cost data into Columns A and B. The sum of columns A and B will be INSERTED AUTOMATICALLY into Column C.
2. Click on the "Save" button at the bottom of the sheet. Cost data will automatically be calculated and populated into Columns D through I or D through J** from the percentage data that was entered on the Cost Allocation Percentage Table.

****Participants in the At-Risk Afterschool Snack/Supper Program, Fruit and Vegetable Program and/or Summer Food Service Program will have an additional column, J, to complete on the online Cost Allocation Percentage Table.**

Note: If you have a la carte and/or catering revenue that will be reported on the online Revenue and Balance Sheet, you must allocate cost in Columns H and/or I. If you do not, a pop-up message will be displayed on the online Revenue and Balance Sheet and you will be redirected back to the online Cost Allocation Percentage Table to enter this cost percentage information.

3. The sum of lines 1-5 will be INSERTED AUTOMATICALLY into line 6.
4. Line 6 will AUTOMATICALLY be multiplied by the Unrestricted Indirect Cost Rate. The result will be INSERTED AUTOMATICALLY into line 7, cells C7 through I7 or cells C7 through J7 when clicking on "Save" at the bottom of the sheet.

Note: Food service programs that are **charged for indirect costs** by their school district must **enter that charge in cell A7**. The amount that is entered in **cell A7 cannot exceed the amount that is automatically**

calculated and inserted in cell C7. If the amount entered in cell A7 exceeds the amount in cell C7, an error message will be displayed and you will have to amend the amount in cell A7.

5. The sum of lines 7-9 will be INSERTED AUTOMATICALLY into line 10.
6. The total number of reimbursable meals served for lunch and breakfast will be INSERTED AUTOMATICALLY into line 11, cells D11 and F11.
Remember it is imperative that all claims for SY 2004-05 (July 2004 through June 2005) be submitted and processed by MDE. The number of meals claimed must be complete to ensure the accuracy of the per meal cost for lunch and breakfast. The total number of reimbursable meals will be inserted and displayed when clicking on “Save” at the bottom of the sheet.
7. The per meal cost for lunch and breakfast will AUTOMATICALLY be calculated and INSERTED into line 12, cells D12 and F12. The per meal cost will be calculated and displayed when clicking on “Save” at the bottom of the sheet.
8. After clicking the “Save” button, a warning message may be displayed if the per meal cost for lunch and/or breakfast has significantly changed from the per meal cost that was reported on the Year End Report for SY 2003-04. If this message is displayed, it is recommended that the costs allocated to each program be rechecked to ensure that they are correct. If the costs are correct, then click on “Next Page” to proceed to online Revenue and Balance Sheet.

If the costs are not correct, then return to the Main Page and access the “Cost Allocation Percentage Table” to amend the percentage data. Click on “Submit” to save the amended data. Return to the Main Page to access the “Cost Allocation Sheet”. Click on “Save” to recalculate and reallocate the costs for Columns D through I or D through J.

Revenue and Balance Sheet

Points to Know About the Revenue and Balance Sheet:

Use whole numbers only when entering revenue information. Do not use dollar (\$) signs or commas when entering data.

Use the tab key to move from cell to cell in the revenue and balance sheet. You will not need to enter a “0” in those cells that will not have revenue data entered into them.

Use a minus (-) sign to identify a negative number.

Revenue information can be entered and saved as work in progress. The Revenue and Balance Sheet does not have to be completed all at once. Remember to click on the “Save” button before exiting the sheet.

All fields highlighted in blue and/or yellow are Read Only and will automatically be filled with data.

Correct errors using the error messages displayed. Errors will be corrected when the error message is no longer displayed.

Each time amendments or corrections are made to the Revenue and Balance Sheet, remember to click on “Save” at the bottom of the sheet. Return to the Main Page and click on “Certify” to recertify the Year End Report.

Print and keep a hard copy of the Revenue and Balance Sheet for your files each time amendments or corrections are made to this sheet. Before printing this sheet, go to “File”, click on “Page Set-up”, click on “Paper Size” and click on “Portrait” under Orientation.

STEPS USED TO COMPLETE THE REVENUE AND BALANCE SHEET

Step 1. Accessing the Revenue and Balance Sheet:

After you save the Cost Allocation sheet, you will click on “Next Page” to proceed to the Revenue and Balance Sheet. However, if you start from the Main Page, click on “Revenue and Balance Sheet” to access this sheet. Use the Year End Report Revenue and Balance Worksheet to enter the revenue information into this sheet.

Step 2. Entering Revenue and Balance Information:

BEGINNING BALANCE (LINE 1) SHOULD BE THE ENDING BALANCE FROM YOUR SCHOOL AUDIT REPORT dated JUNE 30, 2004. DO NOT use the Ending Balance from last year’s Year End Report.

Line 1: Enter the beginning balance as described above.

Line 2: School Meals Program revenue is revenue received from student payments for paid and reduced meals, afterschool snacks and milk programs.

Line 3 and 4: A la carte revenue on line 3 and Catering revenue on line 4. An error message will be displayed if you have entered **revenue** on either line 3 or 4 and **you have not entered cost percentages for a la carte or catering in columns H or I on the Cost Allocation Percentage Table.** Refer to the

“Amending the Cost Allocation Percentage Table” information in order to recalculate and reallocate the necessary costs on the Cost Allocation Sheet.

Line 5: Federal Revenue data will be INSERTED AUTOMATICALLY on line 5. **ALL CLAIMS FOR SY 2004 – 2005 MUST BE SUBMITTED AND PROCESSED BY MDE BEFORE COMPLETING THE YEAR END REPORT ONLINE.** Federal reimbursement information must be complete and up to date to ensure the accuracy of the Revenue and Balance Sheet Ending Balance (line 14).

Line 5a: Breakfast Payment Reconciliation data for School Year 2004 will be taken from your status report that was mailed to you on October 18, 2004. This data will be INSERTED AUTOMATICALLY on Line 5a.

Line 6: State Revenue for the 31d School Lunch 2005 Total Revenue, Prior Year Adjustments for 2004 and the State Supplemental 2004 Breakfast Payment will be INSERTED AUTOMATICALLY on line 6.

Line 7: Enter your fund modifications. The fund modification line is **only** to be used to report the amount of net change that has occurred to the food service fund. Use a minus (-) sign to identify money taken from the food service fund that results in a negative net change.

Fund modifications involve money being advanced or transferred from the general fund into the food service fund. Advances are considered loans that can be paid back to the general fund; transfers are considered gifts that cannot be paid back to the general fund. School districts must maintain documentation of any fund modifications and clearly define if the modification was an advance or a transfer.

The fund modification line **is not** to be used to report Indirect Cost that is charged to the food service fund. Indirect cost that is charged to the food service fund is to be reported in Column A, line 7 on the Cost Allocation Sheet of the online Year End Report.

Line 8: Enter your miscellaneous revenue. Do not use line 8 to report the market value of your commodities as cash. The market value for commodities is to be reported on the school audit report not the Year End Report.

Line 9 and 10: The sum of lines 2 through 8 will be INSERTED AUTOMATICALLY on line 9. The sum of line 1 and line 9 will be INSERTED AUTOMATICALLY on line 10.

Line 11: Expenses from Cell A10 on the Cost Allocation Sheet will be INSERTED AUTOMATICALLY on line 11.

Line 12: Enter the capital outlay information. Expenditures for equipment purchases must be \$5000 or more. If you enter an amount less than \$5000, an error message will be displayed.

Line 13: The sum of line 11 and line 12 will be INSERTED AUTOMATICALLY on line 13.

Line 14: The difference between line 10 and line 13 will be INSERTED AUTOMATICALLY on line 14.

Step 3. Saving Revenue and Balance Information:

After completing the Revenue and Balance Sheet, click on “Save” at the bottom of the sheet. A message will be displayed directing you to the Main Page to certify the report.

Meal Cost Difference Justification

When returning to the Main Page to certify the Year End Report, a “Meal Cost Difference Justification” screen may appear on this page if the per meal cost for lunch and/or breakfast has significantly changed from the per meal cost reported on the Year End Report from SY 2003-04.

A message will appear underneath this screen asking you to enter detailed information explaining why your costs have significantly changed from the previous school year. When you have entered your information into this screen, click on “Save” to the right of the screen.

A copy of this screen can be made by clicking on the words, “Printable Version” located underneath the screen on the lower left hand side. You will be forwarded to a page that you will be able to print by using the printer icon at the top of the page.

A message will appear below the screen directing you to certify the report.

Certifying the Year End Report

A message will appear at the bottom on the Main Page informing you that the report must be certified. Click on the “Certify” button. This will certify and transmit your information to the Michigan Department of Education for your Year End Report.

Amending the Cost Allocation Percentage Table After Certifying the Year End Report

1. Make corrections or amendments to the percentage data in columns D through I or D through J and click on “Submit” to save the data.
2. Each time changes or amendments are made to the Cost Allocation Percentage Table, return to the Main Page and click on the “Cost Allocation Sheet”. Click on “Save” at the bottom of the Cost Allocation

Sheet to recalculate and reallocate the costs in Columns D through I or D through J.

3. If the changes made to the Cost Allocation Sheet affect the Revenue and Balance Sheet, click on "Next Page".

Amending the Cost Allocation Sheet After Certifying the Year End Report

1. Make corrections or amendments to the indirect cost rate and/or costs in Columns A and B on the Cost Allocation Sheet and click on "Save".
2. If the changes affect the Revenue and Balance Sheet, click on "Next Page".
3. Make corrections or amendments to the Revenue and Balance Sheet, click on "Save".
4. Return to the Main Page and click on "Certify" to recertify the report.
5. If changes to the Cost Allocation Sheet affect the per meal cost for breakfast and/or lunch, a warning message may be displayed on the Cost Allocation Sheet. This message will inform you that the per meal costs have significantly changed from those reported on the Year End Report from SY 2003-04. Therefore, you will need to **complete and save** the Meal Cost Difference Justification screen that will appear on the Main Page before you will be allowed to recertify the report.
6. Print and keep a hard copy of the report for your files each time corrections or amendments are made to it.
7. REMEMBER: ANY CHANGES MADE AFTER CERTIFYING THE REPORT, REQUIRE SAVING ALL PAGES, PRINTING AND KEEPING A HARD COPY FOR YOUR FILES AND RECERTIFYING THE REPORT. This will send a revised copy of the report to MDE to process.

Amending the Revenue and Balance Sheet After Certifying the Year End Cost Report

1. Make corrections or amendments on the Revenue and Balance Sheet and click on "Save".
2. If the changes affect the Cost Allocation Sheet, return to the Main Page and click on "Cost Allocation Percentage Table".

3. Make the necessary changes to the Cost Allocation Percentage Table, and click on "Submit". Return to the Main Page and click on the "Cost Allocation Sheet". Click on "Save" at the bottom of the Cost Allocation Sheet to recalculate and reallocate the costs in Columns D through I or D through J.
4. If changes to the Cost Allocation Sheet affect the per meal cost for breakfast and/or lunch, a warning message may be displayed on the Cost Allocation Sheet. This message will inform you that the per meal costs have significantly changed from those reported on the Year End Report from SY 2003-04. Therefore, you will need to **complete and save** the Meal Cost Difference Justification screen that will appear on the Main Page before you will be allowed to recertify the report.
5. If the changes to the Revenue and Balance Sheet do not affect the Cost Allocation Percentage Table, then return to the Main Page to RECERTIFY THE REPORT.
6. Print and keep a hard copy of the report for your files each time corrections or amendments are made to it.
7. REMEMBER: ANY CHANGES MADE AFTER CERTIFYING THE REPORT, REQUIRE SAVING ALL PAGES, PRINTING AND KEEPING A HARD COPY FOR YOUR FILES AND RECERTIFYING THE REPORT. This will send a revised copy of the report to MDE to process.